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FOR IMMEDIATE RELEASE

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What is the federal Long Term Care Partnership Plan?

Several counties in Wisconsin have, for a number of years, been served by long term care provider agencies under the Wisconsin Partnership Program. This program is an "all-inclusive" comprehensive system to provide long-term care to the elderly and disabled. The program operates in Milwaukee, Dane and Eau Claire Counties.

In the early 1990's, the federal government began a pilot project called the "Long Term Care Partnership Program" in four states. This "Partnership" is between private insurance companies and the state's Medicaid Program. With the passage of the Deficit Reduction Act of 2005, this program to induce persons to purchase private long term care insurance will be available to persons in all 50 states.

The federal LTC Partnership Program is set up so that a person who has purchased a "qualified" partnership long term care insurance policy and who has used all of the benefits of that policy will be able to access Medicaid benefits without all of the means tests that are currently applied to applicants. The idea is to allow persons who have made an effort to provide for a part of their long term care to "protect" some of their assets from having to be used before they are eligible for Medicaid.

While these sounds like a great idea, having people use private insurance to do part of the job that is so often made the responsibility of government, there are some important things that you should be aware of and consider before jumping into the first Partnership-qualified plan that becomes available.

\* LEARN all that you can about the particular plan that you are considering and about the requirements of the Medicaid Program in Wisconsin. It is probable that the complexity of Partnership plans will make deciding whether or not to purchase any long term care insurance even more difficult for people of modest means.

\* It is entirely possible that you may be able to protect *assets*, but you may have a monthly *income* that is too high to allow you to be eligible for Medicaid. In this situation, the Partnership plan would serve you about as well as any other long term care insurance but would not permit you to become MA-eligible.

\* There have been cases in the pilot states where Partnership plans provided benefits to persons who were in need of long term care for conditions that were significant, but not so severe that they would have been eligible under the Medicaid functional requirements. When the private insurance benefit ran out, the policyholders found themselves ineligible for MA and forced to rely on their own resources to pay for care.

\* While many long term care insurance plans cover the expense of providing long term care in home or community-based settings, Medicaid is much more restrictive. If you become eligible for Medicaid after exhausting your Partnership qualified long term care insurance plan, there is no guarantee that you will be able to stay in your current living environment.

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As with any new program, it is imperative that persons who are considering taking advantage of the benefits claimed by the insurance company or the government talk to a competent advisor who is knowledgeable and who is not in a position to benefit from selling or suggesting a particular plan before making the decision to buy. Be prepared to ask questions and demand straight answers.

This plan is being considered in Wisconsin, but it has not yet been offered for sale. When it becomes available, the Wisconsin Board on Aging and Long Term Care's Medigap Helpline will be able to offer free, accurate information to callers to our toll-free line. If you want more information, call :

1 800 242-1060

*by:* William Donaldson